

Town of New Market Budget Report Fiscal Year 2013

Summary

The FY' 13 budget anticipates an excess revenue over expenditures (Unappropriated Reserve) of \$126,758.00. Revenue is anticipated to be \$84,952.00 more than FY '12. This is mainly due to increases in Real Property Taxes (\$21,268.00) and Income Taxes (\$19,260.00) and Tax Equity (46,709.00). The Town anticipates the 28 new homes in FY' 13 as opposed to 6 in FY '12.

The Town anticipates only a modest increase of \$10,843.00 in expenditures over the FY '12 budget. These small increases are attributable to increased demand for services such as public safety and waste collection. This is due to the growing population of the town. These expenses are offset by increases in Income Tax and Real Property Tax. They are not due to lack of financial constraint. However, there is one disturbing trend in expenditures. Specifically, per household waste disposal is still currently at 56 lbs/household/week. This increases monthly waste collection fees at the Frederick County Landfill \$9,991.00 annually over the standard of 40 lbs/household/week.

The greatest threat to the Town's finances is the size of its tax base. Specifically, we have depended too much on State monies such as Highway User Revenue, Income Taxes and Tax Equity from the County. Due to State cut backs, the Town has lost over \$40,000 in SHUR over the last few years. Likewise, the State took a share of our local portion of Income Tax a couple of years ago. The previous Board of County Commissioners significantly cut back our Tax-Equity revenue. This year the new BOCC increased our Tax-Equity share by more than \$46,000. Since it is uncertain that future County Boards will be this generous, the Town can not simply assume it will receive \$54,704.00 annually in Tax Equity.

Further, the State Department of Assessments & Taxation will be assessing our properties this summer. It is likely that we will see a significant decrease in our property assessments. This means the Town will experience a significant decrease in Real Property Tax revenue. Since the Town has no desire to raise your property tax rates, it must find alternative sources of revenue by expanding and diversify its tax base.

Many new residents may not know that the New Market Shopping Center (Food Lion, CVS Pharmacy, Citgo, Duncan Donuts, etc...) is not actually in the town. We do not collect one penny from this development. If the Town is to pass along an economically viable and commercially and residentially vibrant town that preserves our history and cultural identity to future generations, we must have both a sound financial and comprehensive plan. This requires thinking long term and not becoming complacent with the status quo. Moreover, if the Town wants to increase its level of public safety and host first class special events, and engage in more proactive economic development to

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deliver better shops and restaurants as well as park facilities the Town has no other option than to expand its commercial tax base both within the current town where possible and through annexation. Else, the town is in danger of becoming a small town surrounded by larger county development. This can only be expected as we are located off a major interstate interchange. Thus, we will always be confronted with pressure for development. This budget recognizes that inevitability. As such, it is also consistent with our Master Plan.

An example of expanding our tax base through annexation is Adventure Park. This property has provided between \$60,000.00 to \$70,000.00 annually over the last three years. Had we not been successful in annexing it, our financial situation during those years would have been much more dire. Currently, Friends of Frederick County are challenging our ability to expand our tax base through annexation. Recall it's the Town's desire to expand our base not raise your taxes.

The Town develops its budget very conservatively. This is particularly evident in anticipated revenues. Since the Town must adopt a balanced budget, this builds in an automatic constraint on spending. The Town provides for the basic needs of small town government such as General Administration, Public Safety and Public Works. The Town spends very little comparatively on Recreation and Culture. For example while the Town has spent as much as \$6,000.00 in previous years on New Market days and Christmas in New Market combined the City of Brunswick spends \$28,000.00 on its Railroad Days alone.

The Town's operating budget is a cash budget. It does not take into account amortization of long term capital outlays on infrastructure such as roads, drainage systems and other structures. The Town conducted its own internal fiscal study several years ago. The Town has determined that the Unappropriated Reserve (excess revenues over expenditures) should be \$47,000.00. This ensures that when roads are repaved and other capital expenditures are required, the Town has the cash to pay for them without borrowing. The FY '13 budget anticipates the Unappropriated Reserve to be \$126,758.00.

Revenues

Amusement Tax

The Amusement Tax collections through March are \$48,634.00. This is a similar amount from the same time for the previous two years. Total amusements taxes collected in FY'10 were \$68,442.00 and \$76,895.00 for FY' 11. This budget proposes \$70,000.00 in Amusement Tax revenue.

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Real Property

Current year real property taxes collected is \$136,738.00. The Constant Yield Tax Rate Certification provided by SDAT estimates net assessable base for July 2012 at \$121,890,305.00. At the current real property tax rate of \$.12/100, real property tax revenue should be \$146,268.00. The constant yield assumes \$6,442,930.00 (\$3,442,930 half year and \$3,000,000.00 full year) in new construction or approximately a growth factor of 28 new homes. The Town will use this estimate for FY '13. The County bills real property taxes every six months on July 1 and January 1. Further, the billings in January are on a pro-rata basis. The sale prices for Royal Oaks, Brinkley Manor and the Orchard range from \$350k to over \$500k respectively. This budget assumes a conservative \$350k average. Assuming a home is equally likely to sell in any one month of the fiscal year, the additional real property tax realized in FY '13 from the sale of one new home would be \$420.00 ($\$350k \times .12 / 100$). However, only \$3,000,000.00 will be billed at the full year amount and \$3,442,930 at the half year assessment. Thus, real property tax revenue attributable to new construct is \$7,731.00 ($(\$3,000,000 \times .12/100) + (\$3,442,930 \times .12/100)$). The Constant Yield Certification is provided below.

Draft

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State of Maryland

Department of Assessments and Taxation

February 9, 2012

2012 Constant Yield Tax Rate Certification

Taxing authority: **New Market**
in Frederick County

1	1-Jul-2011	Gross assessable real property base	\$	125,896,467
2	1-Jul-2011	Homestead Tax Credit	-	<u>4,902,203</u>
3	1-Jul-2011	Net assessable real property base		120,994,264
4	1-Jul-2011	Actual local tax rate (per \$100)	x	<u>0.1200</u>
5	1-Jul-2011	Potential revenue	\$	145,193
6	1-Jul-2012	Estimated assessable base	\$	132,710,400
7	1-Jan-2012	Half year new construction	-	3,442,930
8	1-Jul-2012	Estimated full year new construction*	-	3,000,000
9	1-Jul-2012	Estimated abatements and deletions**	-	<u><u>4,377,165</u></u>
10	1-Jul-2012	Net assessable real property base	\$	121,890,305

11	1-Jul-2011	Potential revenue	\$	145,193
12	1-Jul-2012	Net assessable real property base	÷	121,890,305
13	1-Jul-2012	Constant yield tax rate	\$	<u><u>0.1191</u></u>

EXEMPT

Certified by


Director

* Includes one-quarter year new construction where applicable.

**Actual + estimated as of July 1, 2012, including Homestead Tax Credit.

CYTR #1

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Unincorporated Personal Property

The Town has currently collected \$945.00 in Unincorporated Personal Property taxes. The Town collected \$2,504.00 in Unincorporated Personal Property in FY '11. The P/P tax roll shows only two businesses with total potential revenue of \$765.00. One of these properties is for sale. This leaves only \$188.00 of potential revenue for FY' 13.

Incorporated Personal Property

Current collections are only \$5,991.00. The Town does not receive these assessments from SDAT until April. Last year the Town collected 6,867.00. The tax roll shows 37 accounts with potential revenue of \$6,200.00.

Public Utilities

Current collections are \$8,607.00 of the \$8,500.00 budgeted. The Town collected \$9,004.00 in FY '11. The Town tax roll currently shows 3 accounts with potential revenue of \$8,607.00.

Bankshares

The Town has not collected any bankshares in FY '12.

Penalties & Interest

The Town collected \$500.00 of penalty revenue in FY '12.

Income Tax

The nine year average income taxes collected are \$103,285. Current year collections are \$63,835.00. It is not unusual to receive the largest disbursements in the last quarter of the fiscal year. From the table below one can see that the Town's has not collected less than \$90,740.00 over the past five years. This result was achieved in spite of an economic downtown that began in 2008.

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<u>Fiscal Year</u>	<u>Income Taxes Collected</u>
FY 2002	63,289.00
FY 2003	62,653.00
FY2004	64,099.00
FY 2005	86,080.00
FY 2006	117,740.00
FY 2007	114,063.00
FY 2008	104,059.00
FY 2009	90,740.00
FY2010	114,864.00
FY2011	111,986.00
Avg. (10 yrs)	103,285.89

This budget assumes 28 new units for this fiscal year. The income required to qualify for a \$350k home is \$52,100, \$72,200 for a \$450k home and \$88,200 for a \$550k home. These incomes assume a 20% down payment and a rate of 5.5% along with a low debt to income ratio. The municipal share of the County portion of actual taxes paid is 17%. The County rate is 2.96%. Assuming that 75% of gross income is taxable, the minimum amount of income tax revenue each new home generates is \$197 ($\$52,100 \times .75 \times .0296 \times .17$). However, this would be for taxes paid next April and therefore would not be recognized as income for the Town until FY '14. Thus, as you can discern, there is a lag between when expenses and revenues are realized. Specifically, services, such as waste collection, are paid out well before the majority of the revenue is received. This budget conservatively estimates FY '13 Income Taxes to be \$110,000.00.

Highways

The Town received it annual letter from the Maryland Department of Transportation Office of Finance on January 25, 2012. It advises the Town to expect only \$6,453.00 in SHUR for FY '13. The Town has received \$5,578.00 to date in FY '12. It collected \$3,394.00 in FY '10. The State cut the local share by 90% in FY' 10. The Town collected \$43,000.00 in FY '08. Thus, the Town has lost over \$40,000.00 each of the last three years. It is not been determined whether these cuts will be permanent. However, it provides evidence that the Town must expand and diversify its tax base. The Town can not be dependent on state and federal shared revenue for its economic viability.

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Martin O'Malley, Governor
Anthony G. Brown, Lt. Governor

Beverley K. Swaim-Staley, Secretary
Melinda B. Peters, Administrator

January 25, 2012

Sir or Madam
Town of New Market
P.O. Box 27
New Market, MD 21774

RE: Highway User Revenue Revised Estimates - Fiscal Years 2012 and 2013

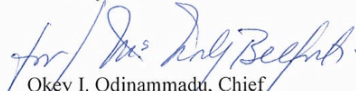
Dear Sir or Madam :

Maryland Department of Transportation personnel have revised the estimated Highway User Revenues (HUR) for Fiscal Year 2012 and Fiscal Year 2013. This revision was based on an updated revenue forecast and the distribution changes enacted during the 2011 legislative session.

The HUR estimates for Town of New Market for Fiscal Years 2012 and 2013 are \$9,804.57 and \$6,453.20, respectively. Please note that these estimates are based on the most recent registration and mileage data on file. If a change to this data is anticipated for Fiscal Year 2013, you may want to adjust your internal HUR estimate accordingly.

If you have any questions or require further assistance, please feel free to contact Norly Belforti at (410) 545-5535 or me at (410) 545-5510.

Sincerely,


Okéy I. Odinamagbù, Chief
Accounting Operations Division
Office of Finance

Cc: Mike Mikolajczyk, MDOT
Janet Irvin, SHA
Norly Belforti, SHA

My telephone number/toll-free number is _____
Maryland Relay Service for Impaired Hearing or Speech: 1.800.735.2258 Statewide Toll Free
Street Address: 707 North Calvert Street • Baltimore, Maryland 21202 • Phone 410.545.0300 • www.roads.maryland.gov

Town of New Market

Budget Report Fiscal Year 2013 -- continued

Liquor Licenses

The Town has not collected any liquor license taxes thus far in FY '12. However, Milo's and Mealey's Table obtaining their licenses will likely attribute to some liquor license revenue in FY '13. The Town collected \$750.00 in FY '08 before Mealeys closed. This budget conservatively estimates \$250.00 for FY '13.

Town Business Licenses

Town business license renewals are billed at the end of each fiscal year. The Town collected \$1,450.00 in business licenses in FY' 10 and \$1,366.00 in FY '11. The budget estimates the same amount for FY '13.

Traders Licenses

Traders license revenue is 92% of the fee paid to the Clerk of the Circuit Court for annual trader's licenses renewals. Trader's licenses are billed late in each fiscal year. The Town collected \$1,092.00 in Traders License fees in FY '10 and \$1,328.00 in FY' 11. The master list of businesses predicts \$1,134.00 in business license fees for FY '13.

Cable TV (franchise) Fees

Franchise fees collected in FY' 11 were 6,078.00 They were \$5,578 in FY' 10, \$5,312.00 in FY '09 and \$5,667.00 in FY '08. This budget estimates \$6,100.00 for FY '13.

City-County Tax Equity Program

The BOCC has generously provided \$54,705.00 in Tax Equity. This is \$46,709 more than the \$7,996.00 inherited from the previous BOCC. The Town should not rely on this amount on an annual basis as a future BOCC may not be as generous.

Subdivision Fees

The Town has collected \$7,364.00 in subdivision fees to date FY '12. This is mostly attributable to Miller and Smith (Orchard) and the New Market Commons project. This budget proposes conservatively \$5000.00 for FY' 13.

New Construction Permit Fees

The Town has collected \$2,050.00 in new home construction fees to date in FY '12. This budget predicts 28 new homes in FY' 13. This represents potential revenue of \$1,400.00.

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Renovation Zoning and HDC Fees

These are fees collected for permit applications for home improvements. The Town collected \$1,150.00 in FY '11 and \$2,050 to date in FY' 12. This budget proposes \$2,000.00 for FY' 13.

Orchard DRRA Contributions

As part of the Orchard DRRA, the developer agrees to pay \$1,000 per unit at the time each goes to settlement. To date the Town has not collected any of the \$4,000.00 budgeted. However, Miller and Smith have five contracts and Seawright Home has two contracts. Thus, FY' 12 revenue should be close to that budgeted. This year the Town anticipates the same revenue for FY' 13.

Sales of Maps & Publications

This is an insignificant portion of the budget.

Interest & Dividends

The Town's collected \$5,430.00 in interest in FY'11 and proposes the same amount for FY'13.

Rents & Concessions

The Town has decided not to rent the upstairs apartment.

Expenditures

Advertising

Current FY '12 advertising expenditures are \$537.00. This is \$810.00 under budget. This budget proposes \$1,000.00 for advertising.

Auditing & Accounting

This year's auditing contract is \$9,210.00. However, I highly recommend quarterly reviews in order to catch problems early. The cost for three quarters ending 9/30, 12/31 & 3/30 would be \$1,800.00. The cost to outsource payroll is \$32.50 per pay period or \$845.00 annually. This brings the total auditing and accounting amount to \$11,855.00. The same as last fiscal year.

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Board of Zoning Appeals

The Town has not incurred any expenses for cases heard this year. This expense is offset by the Zoning and HDC fees. The Town will budget the same amount (\$850.00) as in FY '12.

Clerk's Salaries

The service provided by the Town Office may be perhaps the most essential of all Town functions. The Town recognizes the need to retain those who provide this service. Thus, this budget proposes a 4% increase of 2,457.00 for a total amount of \$63,881.00.

Unemployment Insurance

This amount is unchanged from last year's budget.

Social Security & Medicare

This amount is simply a function of total salaries.

Engineering

This line item is established for the purpose of miscellaneous engineering. An example would be inspecting the alley and property subsequent to the East End Drainage project and the South Alley project. The Town has spent \$8,562.00 of the \$3,500.00 budgeted in FY '12. This is attributable to drainage work along South, Third and Eighth Alleys. The auditor may capitalize some of these expenses. This budget proposes an appropriation of \$5,000.00.

Conferences & Continuing Education

The Town should encourage board members to attend pertinent conferences for educational purposes. The Town has not spent of the FY '12 appropriation. The Town will budget \$250.00 again this year.

Donations

The Town is currently \$56.00 over budget. The Town proposes to budget \$250.00 for FY '13.

Dues & Subscriptions

The Town has spent \$3,013.00 to date. This is \$13.00 over budget. So that all costs for the copier/printer will be under the same line item, the cost of the copier maintenance

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(\$400.00) will be moved to the line item Office Supplies & Technology. The Town proposes to budget \$2,700.00 in FY '13 for Dues & Subscriptions.

Employee Benefits

The Town does not currently offer employee benefits.

General Maintenance Labor

The Town has currently spent \$918.00 on this item. That is \$582.00 under budget. The Town proposes to budget \$1,500.00 for FY '13.

General Maintenance Supplies

The Town has currently spent \$19.00 of \$1,000.00 budgeted. The Town proposes to budget \$500.00 for FY '13.

HDC Guidelines

The Town has not spent any money on this activity in FY '12. A modest amount of \$250.00 may be needed to develop guidelines if the Food Lion annexation is completed.

HDC/ARC Administrative Approvals

The Town has not engaged in this activity yet.

Insurance

The Town paid LGIT \$3,034.00 in premiums in FY '12. The Town proposes \$3,100.00 for this budget. LGIT has not advised the Town of anticipated premiums for FY '13.

Legal Council

The Town has incurred \$24,604 in legal fees in FY '12 to date. This is \$5,395.00 under budget. This is most attributable to the Friends of Frederick County lawsuit. The Town spent \$17,658.00 in FY '09, \$17,550.00 in FY '10 and \$38,379 in FY' 11. The Town spent \$58,919.00 in FY '07 mostly to save the Adventure Park annexation (see the table below). There will be issues related to a Joint Planning Agreement with the County, Streetscape MOU and Road Transfer Agreement, Demo by Neglect, Building Code update as well as the Friends of Frederick County lawsuit that will likely consume most of the budget. Thus, the Town proposes to budget \$30,000.00 for FY '13

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<u>Fiscal Year</u>	<u>Legal Fees</u>
FY 2002	22,522.00
FY 2003	15,626.00
FY2004	26,229.00
FY 2005	17,517.00
FY 2006	12,033.00
FY 2007	58,919.00
FY 2008	20,367.00
FY 2009	17,658.00
FY 2010	17,550.00
FY 2011	38,379.00
Avg. (10 yr.)	27,422.22

Mayoral Expense Account

No recommended change. The Mayor generally shares this account with P&Z and HDC.

Mayoral Salary

No change has been made.

Municipal Building Utilities

The Town has spent \$2,569.00 to date. It spent \$7,110.00 in FY '11. The Town proposes to budget \$6,500.00 for FY '13.

MML Meeting

The Town budgets \$150.00 annually to host one Frederick County Chapter of the MML meeting.

Office Supplies & Technology

The Town has spent \$3,493.00 to date. That is \$792.00 under budget. As stated above, \$400.00 from Dues & Subscriptions will be moved to this line item for copier maintenance. With the lease of the new copier/printer, the newsletter and other items that previously had to be outsourced will now be able to be done in-house. The budget item for Printing (see below) will be combined with Office Supplies & Technology to cover

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the in-house printing. With the inclusion of the copier maintenance and printing, the Town budgets \$5435.00 for FY13.

Planning Commission Master Planner

The Town has only spent \$3,938.00 to date. That is \$5,862.00 under budget. The Town incurs \$150/month for attending P&Z meetings and \$50/hour for writing Master Plans. Other planning services are generally charged as an administrative fee to the applicant (see subdivision fees above). The Town proposes to budget \$1,800.00 for P&Z meetings and 90 hours @ \$50/hour to complete the 2012 Master Plan and related activities. This is a total of \$6,300.00.

Permits & Inspections

The Town has currently spent \$2,325.00 on this activity. This is \$1,575.00 over budget. Permits and Inspections expenditures depend upon the level of building activity. These costs are related to and offset by the New Construction and Renovation Fees. Note that new construction and renovation revenues are \$1,475.00 over budget. The fee revenue generally just offsets the cost to the Town for the activity. This is not a profit center. Since it appears that building activity is increasing, the Town should budget the same amount as the new construction and renovation fee revenue in this budget.

Code Enforcement Officer

Currently the Town has spent \$1,113.00. Enforcement activities have increased over the last year. For this reason the Town proposes to budget \$2,000.00 for FY '13.

Printing

The Town has only spent \$405.00 on this item to date. That is \$595.00 under budget. The Town proposes to budget \$750.00 for FY '13. With the lease of the new copier/printer, our printing needs should be met with the in-house equipment instead of outsourcing. This line item will be combined with Office Supplies and Technology.

Public Restroom Labor

It is not anticipated that this will cost more than in previous years with the current cleaner.

Public Restroom Supplies

The Town has only spent \$191.00 to date. This is \$59.00 under budget. The Town proposes to budget \$250.00 for FY '13.

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Telephone

The Town has spent \$1,581.00 on telephone charges in FY '12 to date. That prorates to \$2,108.00 for 12 months. The Town proposes to budget \$2,110.00 for FY '13.

Tourism

The Town has budgeted \$500.00 for Tourism. This is mainly for the purpose of joining the Frederick County Chamber of Commerce. This will provide networking opportunities that will benefit both government and businesses. Further, it will allow us to participate in energy co-opting opportunities.

Website/Newsletter

The Town proposes the same appropriation as FY '13.

Workman's Compensation

The Town estimates workman's compensation for FY '13 to be \$1,000.00

Age 65 Rebate.

The Town rebated \$500.00 in FY '13.

Electric for Fire Pond

This item has been eliminated.

Police Protection

FY '12 has seen an increased level of activity requiring police involvement. This budget proposes to increase police protection to \$15,000.00.

Volunteer Fire Department

The NMFVD appropriation remains at \$2,000.00.

Crossing Guards

No appropriation proposed for FY '11.

Mowing

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The mowing contract for this season is \$7,315.00. The current contract expires on October 31st. Thus, we may have a new contractor for the spring portion of FY '13. This budget proposes \$7,500.00 for FY' 13.

Snow & Ice Removal

The Town spent \$17,893.00 in FY '10 and \$15,668.00 in FY' 11. However, it has only spent \$1,325.00 in FY '12. This covered snow storms of historic proportions in FY 10 and an unusually cold winter for FY '11. Due to the recent significant increases in Snow Removal expenditures over the last two years, the Town conducted a more sophisticated statistical analysis to find an amount that is with a 95% confidence interval. We can predict with 95% confidence that expenditures on snow removal will be between \$2,419.00 and \$14,101.00. The analysis is provided in the table below. The Town proposes to budget \$8,260.00.

Fiscal Year	Snow Expenditures
FY 2001	1,617.00
FY 2002	10,358.00
FY2003	5,242.00
FY 2004	3,441.00
FY 2005	2,815.00
FY2006	4,584.00
FY 2007	3,587.00
FY2008	3,528.00
FY2009	17,893.00
FY 2010	13,867.00
FY 2011	15,668.00
Avg (10 yr)	8,260.00
Significance Level (95%)	0.05
Standard Deviation (σ)	5,840.90
Sample Size	11.00
Confidence Factor	3,451.69
Confidence Interval	\$8,260 + or - \$5,841

Street Maintenance

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The Town has only spent \$4,340.00 on this item in FY '12 to date. Most street work the Town anticipates engaging this fiscal year will be a capital expense. Thus, the Town proposes to budget \$5,000.00 for this item.

Street & Park Lighting

The Town has spent \$4,119.00 thus far in FY '12. The Town spent \$5,913.00 in FY' 11 and \$5,494.00 in FY '10. The Town proposes to budget \$6,000.00 in FY '13.

Tree Management

The Town has spent \$1,757.00 to date in FY '12. The Town spent \$2,000.00 in FY'11 and \$2,965.00 in FY '10. The Town proposes to budget \$4,000.00 in FY '13.

Recycling

Recycling services is provided by the County.

Waste Collection

The Town began the fiscal year with 307 units disposing trash and currently has 315 units disposing trash. Current landfill billing data indicates that the average monthly household tonnage is .11. That is 56 lbs/household. The Town's trash ordinance allows 70 gallons per household per week. That equates to 40 lbs/household/week. We are putting out 2.52 tons per week than permitted. This is costing the Town \$9,991 more annually. **This should be a concern to each resident.** The Town is projecting 28 new units for FY '13. Assuming the new units come online in equally each month, annual waste collection can be broken down per the table below. This table does not include bulk trash collection.

Town of New Market

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				<u>Projected FY '13 Waste Collection</u>				
		Collection	Collection	Tonnage	Projected Monthly	Landfill	Monthly	Total Monthly
<u>Existing</u>	<u>315.00</u>	<u>Rate</u>	<u>Fee</u>	<u>Household</u>	<u>Tonnage</u>	<u>Rate</u>	<u>Amount</u>	<u>Waste Collection</u>
July	317.00	12.24	3,880.08	0.11	35.62	76.25	2,716.39	6,596.47
August	319.00	12.24	3,904.56	0.11	36.09	76.25	2,751.89	6,656.45
Sept	321.00	12.24	3,929.04	0.11	36.32	76.25	2,769.15	6,698.19
Oct	323.00	12.24	3,953.52	0.11	36.54	76.25	2,786.40	6,739.92
Nov	325.00	12.24	3,978.00	0.11	36.77	76.25	2,803.65	6,781.65
Dec	327.00	12.24	4,002.48	0.11	37.00	76.25	2,820.90	6,823.38
Jan	329.00	12.24	4,026.96	0.11	37.22	76.25	2,838.16	6,865.12
Feb	331.00	12.24	4,051.44	0.11	37.45	76.25	2,855.41	6,906.85
March	333.00	12.24	4,075.92	0.11	37.67	76.25	2,872.66	6,948.58
April	335.00	12.24	4,100.40	0.11	37.90	76.25	2,889.92	6,990.32
May	337.00	12.24	4,124.88	0.11	38.13	76.25	2,907.17	7,032.05
June	343.00	12.24	4,198.32	0.11	38.81	76.25	2,958.93	7,157.25
Total			48,225.60				33,970.63	82,196.23

Grants to Businesses

Eliminated.

Town Library

No proposed spending at this time. The Town contemplates a small community library in its Municipal Growth Element if the Franklin Smith home is donated to the Town as part of a potential Smith-Cline-Delaplaine annexation.

New Market Days

Traditional amount of \$3,000.00 is initially proposed.

Christmas in New Market

The Christmas in New Market Committee for 2011 has not been formed. The traditional appropriation is \$3,000.00.

Parks & Recreation

Same appropriation as FY '12.

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Unappropriated Reserve

This budget does not take into consideration amortization costs of roads, drainage systems and other infrastructure. The FY '13 budget workbook identifies current and future items. Likewise it includes an "in-house" fiscal study of the impact of the Town's three current subdivisions. This study incorporates these amortizations, including the cost of Main St. upon road transfer required by streetscape. It should be noted that the cost of Main St. does not include any increase in SHUR attributable to the road transfer. Although the Town's audit shows a depreciation expense of \$13,015.00, it does not include roads and drainage areas. Street and Alley amortization per the study is \$20,979.00. Amortization for storm drainage, upon completion of the new subdivisions, is \$26,850.00. This figure was based on the PWA's for each subdivision. Storm drainage amortization for the Historic District is \$4,724.00. This is based on estimates provided by Wilson T. Ballard. The Town has not accepted any of roads or drainage systems for the new subdivisions. However, assuming a 1/3 completion of each subdivision would suggest a pro-rata amount the Town should be covering in its unappropriated reserve. This suggests an amount of \$47,653.00.

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Capital Improvement Program (CIP)

The Town currently has \$857,238.00 in the bank. The Capital Improvement Program proposes total capital projects of \$932,012.00. The Town proposes to pay \$18,012.00 from grants and \$85,022.00 in loans. However, since streetscape is not anticipated to occur any sooner than FY'14, the borrowing amount could decrease significantly if it can maintain its unappropriated reserve at or near the recommended levels. The Town has decreased its proposed CIP loan amount by \$43,529.00 from FY' 12.

The Town has not executed the Streetscape MOU for pedestrian lighting and thus is not committed any spending or borrowing related to it. It is included in the CIP in order to properly plan for it.

Storm Drainage and Alley Repaving in the Historic District is planned to occur after the completion of streetscape. This is attributable to the changes in the grade of Main St. that is entailed in the drainage portion of streetscape. This should not be confused with the ordinary repair and maintenance proposed in the operating budget.

The Massenelle Park project re-landscapes and provides for a new fountain.

The Community Park Lighting project provides for additional lighting in the new parking area of the Community Park.

The Community Park Enhancement project provides more tables, benches, grills, display case, signage and landscaping for the Community Park.

The Marley Street project is intended to widen Marley St. at Main St. to accommodate two lanes of traffic. This will allow it to become two ways rather than one way in only. This will divert traffic away from East Wainscot. The desire is not to have Marley Sq. traffic exit through the residential portion of Brinkley Manor.